



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
September 12-13, 2012
NOTICE AND AGENDA
Meeting Agenda (as of 9/7/2012, 1:30 PM)

[Agenda Changes](#)

[Webcast on Wednesday, September 12, 2012](#)

Wednesday, September 12, 2012

10:00 a.m. Board Meeting Convenes*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meeting**

This matter is scheduled for Thursday, September 13, 2012.

Board Meeting*

Special Presentation

- [Report from Chris Hill, Principal Program Budget Analyst, Department of Finance \(DOF\) +](#)

Presentation on DOF's process to recover certain redevelopment funds from local agencies and the BOE's related ministerial duties.

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

B1a. Pacific Coast Building Products, Inc., 514183 +**B1b. Erin Sullivan, 573889 +****B1c. Patricia D. Anderson (Deceased), 573893 +****B1d. Carol Anderson Ward, 573897 +****B1e. John E. Anderson, 573901 +****B1f. David Lucchetti and Christine Lucchetti, 573905 +****B1g. Keith Harris and Mary Harris, 573908 +****B1h. James Anderson and Jacquelyn Anderson, 573911 +**For Appellant: Reed Schreiter, Representative
Kendall Fox, RepresentativeFor Franchise Tax Board: Jason Riley, Tax Counsel
Ann Hodges, Tax Counsel**B2. Roger Chang and Lisa Chang, 487074 +**

For Appellant: Patrick Quinn, Attorney

For Franchise Tax Board: Ronald Hofsdal, Tax Counsel
Michael Cornez, Tax Counsel**C. Sales and Use Tax Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C1. DK Supplies, Inc., 509933 (EA) +

For Petitioner: David Tang, Attorney

For Department: Scott Lambert, Hearing Representative

C2. Naim Jamali, 448789, 450475, 595326 (BH) +For Petitioner/Claimant: Naim Jamali, Taxpayer
Everett Grandbois, Representative

For Department: Scott Lambert, Hearing Representative

~~**C3. Point of Contact Incorporated, 494400 (CH) +**~~~~For Taxpayer: Tyrone T. Taylor, Representative~~~~For Department: Erin Dendorfer, Tax Counsel~~**C4. Aircraft Charter and Leasing, LLC, 496438 (UT) +**

For Petitioner: Appearance Waived

For Department: Kevin Smith, Tax Counsel

C5. Khanh Cat Pham, 495973 (GH) +

For Petitioner: Khanh Cat Pham, Taxpayer

For Department: Monica Silva, Tax Counsel

C6. Karim Mehrabi, 525215, 525216 (KH) +

For Petitioner: Karim Mehrabi, Taxpayer

Azad Amiri, Witness

For Department: Scott Lambert, Hearing Representative

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings
- F. Public Hearings

The following matters are scheduled for Thursday, September 13, 2012:

- G. Tax Program Nonappearance Matters – Consent**
- H. Tax Program Nonappearance Matters – Adjudicatory**
- I. Tax Program Nonappearance Matters**

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

The following matters are scheduled for Thursday, September 13, 2012:

- N. Consent Agenda**
- O. Adoption of Board Committee Report and Approval of Committee Actions**
- P. Other Administrative Matters**

Announcement of Closed Session Ms. Richmond

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).
- Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Thursday, September 13, 2012, at 9:30 a.m.

General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or e-mail Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- ** Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- + Material is available for this item.
- ++ Material will be available at a later date. .



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
September 12-13, 2012
NOTICE AND AGENDA
Meeting Agenda (as of 9/7/2012, 1:30 PM)**

[Agenda Changes](#)

[Webcast on Thursday, September 13, 2012](#)

Thursday, September 13, 2012

9:30 a.m. Board Committee Meeting Convenes**

Board Meeting reconvenes upon Adjournment of the Board Committee Meeting*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda.

Board Committee Meeting**

Customer Service and Administrative
Efficiency Committee

Ms. Steel, Committee Chairwoman

1. Annual Communications Plan

~~Discussion of and approval of proposed annual communications plan for the Board of Equalization.~~

2. Resolution Honoring BOE Taxpayers during National Customer Service Week

Board Meeting Reconvenes*

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals MattersMr. Levine

➤ **Hearing Notices Sent – No Response**

1. Fahd Gehem Mubarak, 389949 (KH)
2. A & E Unlimited, 489647 (BH)
3. Fereydoon Ansari and Parvaneh Ansari, 507170 (JH)

- Hearing Notice Sent – Appearance Waived
 4. Alhalimah, Inc., 505079 (KH)
 - Petitions for Release of Seized Property
 5. Encino Park Liquor, Inc., 611804 (ET)
 6. Al Rabadi Corporation, 612801 (ET)
 7. Ijaz Corporation, 613438 (ET)
 8. Kyung Ho Min, 609748 (ET)
 9. Hanh Duc Nguyen, 612818 (ET)
 - Petitions for Rehearing
 10. Loh Sun International, Inc., Kent La, Nancy La and John La, 480987, 480989, 506428 (ET)
 11. William Blaine Riggle, 417558, 417559 (FH)
- G2. Franchise and Income Tax MattersMr. Ambrose
- Decisions
 1. Norman Frankfort and Denise Frankfort, 537255
 2. Dave Graffam, 563811
 3. Marylyn A. Hagerty, 519277
 4. Robert D. Johnston and Deborah L. Johnston, 533644
 5. Brian R. Klinker, 535493
 6. Denise Linda Kramer, 585540
 7. Darryl Mendoza, 550096
 8. Vickie Sine, 533583
 9. Bingjie Zhao, 576517
- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Taxes MattersMr. McGuire
- Redeterminations
 1. Medela, Inc., 577424 (OH)
 2. Marino Sandoval, 533908 (CH)
 3. Marino Sandoval, 533907 (CH)
 4. Awad Manufacturing, Inc., 522212 (AA)
 - Relief of Penalty/Interest
 5. Microsoft Corporation, 611216 (OH)
 - Denials of Claims for Refund
 6. Los Angeles SMSA LTD., 416082 (OH)
 7. Los Angeles SMSA LTD., 332060 (OH)
 8. Los Angeles SMSA LTD., 316926 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Refunds
 1. J.D. Rush Company, Inc., 609492 (AR)
 2. New United Motor MFG., Inc., 607252 (CH)
 3. Quebecor World (USA), Inc., 612002 (AA)
 4. Priority Pallet, Inc., 595716 (EH)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

H1. Legal Appeals MattersMr. Levine

- Cases Heard Not Decided
 - 1. Zoba International Corporation, 434591 (EH) +
 - 2. Paul Glasson, 482541 (CH) +
- Petition for Rehearing
 - 3. David A. Bartel, 518470 (KH) +
- Matters for Board Consideration
 - 4a. ~~Annand Nadir Sliuman, 475771 (FH) +~~
 - 4b. ~~Saad Dawood Pattah, 479619 (FH) +~~
 - 5. Sharon E. Melamed, 516151 (AS) +
- Reconsideration-Petition for Rehearing
 - 6. Frangi's Restaurant, Inc., 433581 (AS) +

H2. Franchise and Income Tax MattersMr. Ambrose

- Decisions
 - 1. Richard A. Hall, 533898
 - 2. Lawrence B. Steinberg and Ellen A. Steinberg, 495475

There are no items for the following matters:

- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

There are no items for the following matters:

- I1. Property Taxes Matters
- I2. Offer in Compromise Recommendations

I3. Local Tax Reallocation Matters.....Ms. Nienow

➤ Memorandum Opinion

1. Cities of Agoura Hills, Alameda, Albany, Bakersfield, Belmont, Berkeley, Beverly Hills, Brisbane, Calabasas, Campbell, Carlsbad, Chula Vista, Clovis, Compton, Cupertino, Daly City, Davis, Delano, Del Mar, East Palo Alto, El Cajon, El Monte, Emeryville, Escondido, Fillmore, Foster City, Fremont, Fresno, Gardena, Gilroy, Half Moon Bay, Hawthorne, Hayward, Kerman, Kingsburg, Los Angeles, Menlo Park, Milpitas, Moreno Valley, Morgan Hill, Palmdale, Palo Alto, Pasadena, Rancho Cordova, Rancho Palos Verdes, Redwood City, Reedley, Ridgecrest, Rolling Hills Estates, Roseville, Sacramento, San Bruno, San Diego, Sanger, San Jose, San Leandro, San Mateo, Santa Clara, Santa Fe Springs, Saratoga, Selma, Shafter, South San Francisco, Torrance, Union City, Westlake Village, West Sacramento, Woodland, Town of Los Gatos, Counties of Los Angeles and Sacramento, and City and County of San Francisco, 469672 +

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

N. Consent Agenda Ms. Richmond
 (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

N1. Retirement Resolutions +

- Howard Eastin
- Jacquelyn Lee
- Dorothy B. Tyler-Lewis

N2. Approval of 2013 Diesel Fuel Tax Rate for Interstate Users +

Staff recommendation for setting the 2013 calendar year Diesel Fuel Tax Rate for Interstate Users.

N3. Approval of 2013 Hazardous Substances Program Fees and Occupational Lead Poisoning Prevention Fee Rates +

Staff recommendation for setting the Hazardous Substances Program Fees and the Occupational Lead Poisoning Prevention Fee for the 2013 calendar year.

N4. Prepayment Rate for Sales Tax on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel +

Section 6480.1 of the Revenue and Taxation Code requires the Board to determine annually by November 1, the rate at which sales tax on motor vehicle fuel, diesel fuel, and jet fuel is to be collected at the time such fuel is first distributed in the state during the twelve-month period beginning the following April 1.

N5. Proposed Revisions to Audit Manual Chapter 4, *General Audit Procedures* +

Request approval of proposed revisions to sections 0405.33, *Use of Prior Audit Percentages*, and 0435.20, *Audit Procedure*.

N6. Proposed Revisions to Compliance Policy and Procedures Manual Chapter 1, *General*, and Chapter 7, *Collections* +

Request approval of proposed revisions throughout Chapter 1 and to sections 757.065, *United States Coast Guard Liens*, and 771.000, et seq., *Interagency Offsets*.

N7. Summons to Annual Meeting of the Board and County Assessors ++

Request approval to summon county assessors to a meeting with the Board to discuss issues relating to property assessment administration.

O. Adoption of Board Committee Report and Approval of Committee Actions

O1. Customer Service and Administrative Efficiency Committee

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

1. Board Workload Inventory and Trends for Appeals and Settlements
2. Progress update and actions on CROS project to replace BOE's two current tax legacy technology systems.....Mr. Steen
3. [Efficiency and Effectiveness Initiative – Introduction, Discussion, Request for Approval +](#)Mr. McGuire/Mr. Gau

There are no items for the following matters:

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report..... Mr. Gau

1. Fire Prevention Fee Program Implementation Update

P5. Administration Deputy Director's Report + Ms. Houser

1. Headquarters Facilities Update - A general update on the 450 N Street building may be provided.
2. Fairfield Field Office - A general update may be provided on the office relocation.
3. 2012/13 Budget Update - Information on the Governor's 2012/13 Budget may be provided.
4. 2013/14 Budget Change Proposals - May be presented for Board inclusion in the Governor's 2013/14 Budget. +

There are no items for the following matters:

- P6. Technology Deputy Director's Report
P7. External Affairs Deputy Director's Report

Adjourn

General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or e-mail Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- ** Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- + Material is available for this item.
- ++ Material will be available at a later date.